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No. 99-1996

In The

Supreme Court of the United States

J.E.M. AG SUPPLY, INC. (doing business as Farm Advantage, Inc.) FARM ADVANTAGE, INC., LARRY BENZ, MERLE PRUETT (doing business as Siouxland Seeds, Inc.), KEVIN WOLFSWINKEL, TIM KAMSTRA, and TOM EISCHEN SEED & CHEMICALS,

Petitioners,

v.

PIONEER HI-BRED INTERNATIONAL, INC.,

Respondent.

On Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

SUPPLEMENTAL BRIEF IN RESPONSE TO SOLICITOR GENERAL'S AMICUS BRIEF

BRUCE E. JOHNSON
(Counsel of Record)

S.P. DEVOLDER

LEWIS, WEBSTER, JOHNSON,
VAN WINKLE & DEVOLDER, L.L.P.
418 Sixth Avenue
Suite 620 Liberty Building
Des Moines, Iowa 50309
Telephone (515) 243-1000
Facsimile (515) 288-7000

COCKLE LAW BRIEF PRINTING CO., (800) 225-6964
OR CALL COLLECT (402) 342-2831

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QUESTION PRESENTED

Are patents issued under 35 U.S.C. § 101 granting the right to exclude others from sexually reproducing plants or plant varieties, or from selling or using plants or plant varieties reproduced by means of sexual reproduction (by seed), invalid because the Plant Variety Protection Act of 1970, 7 U.S.C. § 2321, et seq., and the Plant Patent Act of 1930, 35 U.S.C. §§ 161-164, are the exclusive means of obtaining a federal statutory right to exclude others from reproducing, selling, or using plants or plant varieties?

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THE UNITED STATES DOES NOT SET FORTH COGENT REASONS FOR DENIAL OF THE PETITION FOR WRIT OF CERTIORARI.

The Solicitor General misstates the argument of the dissent in *Diamond v. Chakrabarty*, 447 U.S. 303 (1980), as well as the holding in *Chakrabarty*. (Solicitor General Brief p. 6-8) The dissent in *Chakrabarty* argued that passage of the Plant Patent Act of 1930 ("PPA"), Ch. 312, 46 Stat. 376 (35 U.S.C. §§ 161-164), and the Plant Variety Protection Act ("PVPA"), Pub. L. No. 91-577, § 42, 84 Stat. 1547 (7 U.S.C. § 2321, et seq.), showed Congress' intent that *no* living things could be patented under 35 U.S.C. § 101. *Chakrabarty*, 447 U.S. at 319-322. The majority in *Chakrabarty* held that the passage of these plant-specific acts did not evidence Congressional intent that § 101 could never cover any form of living thing, such as a bacterium. *Chakrabarty*, 447 U.S. at 311-314. The *Chakrabarty* majority did instruct that once Congress enacted a statute specifically designed to provide federal protection to a particular type of living thing, such specific legislation would evidence Congress' intent that the general language of § 101 did not include that particular type of living thing. *Chakrabarty*, 447 U.S. at 318. Congress did that for the subject of plants when it enacted the 1930 PPA and the 1970 PVPA. The *Chakrabarty* majority also instructed that Congress could amend § 101 to exclude a particular type of living thing. *Id*. Congress also did this in the 1952 Patent Act when it enacted 35 U.S.C. § 101 (July 19, 1952, c. 950, 66 Stat. 797, P.L. 82-593) deliberately excluding "plants" from the section and treating "plants" specifically in 35 U.S.C. §§ 161-164, retaining the limitation that a plant patent conferred only the right to

exclude others from asexually reproducing the patented plant. (See, Senate Report No. 82-1979, 82nd Cong., 2nd Sess. 1952, at 1952 WL 3180 (Leg. Hist.) p. 4, 6, 10 and 15)

The *Chakrabarty* court's instruction on the effect of organism-specific legislation is clearly in recognition of the point made by Judge Rich in *Application of Bergy and Application of Chakrabarty*, 596 F.2d 952, 987, n. 25 (U.S. Ct. Cust. & Pat. App. 1979), *aff'd Diamond v. Chakrabarty*, 447 U.S. 303 (1980) (referring to the statement in the House and Senate Reports accompanying the 1952 Patent Act that "a machine, or a manufacture . . . may include anything under the sun that is made by man . . . "):

> We recognize that, at the time the statement was made, its authors realized that Congress did not intend the term "manufacture" in § 101 to include plants, which were specifically provided for elsewhere. It is with this in mind that we take the quoted statement as an expression of Congressional will that the term "manufacture" otherwise be given the broadest possible interpretation.

The Solicitor General argues that § 101 patents require proof of "usefulness" and "non-obviousness", which the PVPA does not. (Solicitor General Brief p. 9) The Solicitor General's Brief at page 10 continues the argument:

> Although more difficult to obtain,[1] utility patent protection for sexually reproduced plants and

[1] Actually, there is zero evidence in the record that § 101 patents are "more difficult to obtain" than a PVP certificate. The PTO has not even strictly enforced § 112 (written description requirement) against such plant patent applications. *Cf.* 35 U.S.C. § 112 with 35 U.S.C. § 162 (relaxed written description for plant patents subject to the asexual reproduction limitation). Further the Plant Variety Protection Office requires, in exchange for issuance of a Plant Variety Protection Certificate on a corn hybrid, that the identities of the inbred parents that are cross-pollinated to make the hybrid are disclosed, that seed of the inbred parents is deposited, and that the breeding history of each of the inbred parents is disclosed (*See*, 7 U.S.C. § 2422(1) and 7 C.F.R. § 97.6(d)). The PTO in issuing the corn hybrid patents disputed in this case did not require disclosure of any of this information and therefore one skilled in the art of plant breeding would not be able to recreate the patented corn hybrid.

> seed under Section 101 is broader in scope than the protection afforded by a plant variety protection certificate under the PVPA.

Congress in the PPA, 1952 Patent Act, and PVPA, deliberately decided not to include the concepts of "usefulness" and "non-obviousness" as requirements for federal statutory protection of the right to sexually reproduce plants, and deliberately decided that narrower protection would be provided to plants than was afforded under 35 U.S.C. § 101. The Solicitor General at page 11 of his brief complains that the PVPA makes protection subject to a prior use clause (7 U.S.C. § 2542), a research exemption (7 U.S.C. § 2544), and a seed saving exemption for farmers (7 U.S.C. § 2543), "all of which may limit the breeder's ability to recover an economic return." But these essential provisions prevent the breeder from monopolizing all use of a plant variety's genes for 20 years and thus these provisions grant specific federal rights to competing researchers and to farmers. Congress has never repealed these specific federal statutory rights. Neither the PTO nor a court should do so.

The Solicitor General at page 9 of his brief states: "Section 101 and the PVPA instead provide distinct and complimentary protection." (Citing *Watt v. Alaska*, 451 U.S. 259, 267 (1981), and *United States v. Borden Co.*, 308 U.S. 188, 198-199 (1939)) In fact, the two statutes provide *conflicting* protection. *Watt* and *Borden* are inapposite. In *Watt*, pursuant to § 35 of the Mineral Leasing Act of 1920 (30 U.S.C. § 191), no portion of oil and gas lease revenues from land that had been removed from existing public land to create wildlife refuges was paid to the county in which such wildlife refuge land was located. Congress enacted the 1964 amendments to the Wildlife Refuge Revenue Sharing Act (Section 401(c), 49 Stat. 383 as amended, 16 U.S.C. § 715(c)) because of its concern about the ability to *acquire new lands* for wildlife refuges. *Watt* at 451 U.S. 264, 272. The 1964 amendments provided that 10% of oil and gas lease revenues would be paid to the county in which the wildlife refuge land was located. Nothing in the legislative history of the 1964 amendments mentioned the formula provided in § 35 of the Mineral Leasing Act of 1920 under which oil and gas lease revenues from wildlife refuges carved out of existing public land were distributed. The court in *Watt* therefore held that the 1964 amendments to the Wildlife Refuge Revenue Sharing Act were not intended to repeal the long-standing revenue distribution formula contained in § 35 of the Mineral Leasing Act of 1920.

In *United States v. Borden Co.*, 308 U.S. 188, 200-203 (1939), the court held that the Agricultural Marketing Agreement Act of 1937 exempted certain specific types of marketing agreements but that marketing agreements not within the specific class exempted were subject to the

prior, settled interpretation of the Sherman Act that such agreements were anti-trust violations.

In the present case the PPA and PVPA were not enacted in the face of a long-standing, exclusive, and widespread practice of issuing patents on plants under 35 U.S.C. § 101. That practice did not even begin until 15 years after the enactment of the PVPA, when the PTO issued its ruling in *Hibberd, Ex parte*, 227 U.S.P.Q. 443 (Bd. Pat. App. & Interf. 1985). It is that ruling, and the consequent aggressive use of § 101 plant patents beginning in the 1990's, which are challenged in this petition for certiorari. Further, the legislative history of the PPA, 1952 Patent Act, and PVPA shows that at the time each of these statues was enacted Congress did not intend that patents could be issued under § 101 conferring the right to exclude others from sexually reproducing a plant or plant variety.

Watt and *Borden* do not warrant the Solicitor General's casual dismissal of *FDA v. Brown & Williamson Tobacco Corp.*, 120 S.Ct. 1291 (2000). The present case is controlled by the rule applied in *Brown & Williamson, id.*, 1300-01, 1306-07, and acknowledged in *Chakrabarty*, 447 U.S. at 318, and in *Application of Bergy*, 596 F.2d at 987, n. 25. That controlling rule holds specific statutory terms governing the given subject matter will prevail over general language of the same or another statute which might otherwise prove controlling. The PVPA creates a special governing board with farmer and public representation, creates a special agency to make judgments on what plant varieties are entitled to receive federal statutory protection conferring the right to exclude others from sexually reproducing the plant variety, exempts plant researchers

from suits charging infringement, allows farmers to save seed and replant it on their own farms, and excludes from infringement any act that does not involve further propagation of the variety.[2] 7 U.S.C. § 2321, 2323, 2327, 2544, 2543, and 2541(d). Section 101, of 35 U.S.C., the more general statute, cannot be construed to repeal these and the many other plant-specific provisions contained in the PVPA and PPA. Further, the Solicitor General at page 10 of his brief states, "A utility patent, by contrast, may be granted to protect discoveries embracing a class or species of plants, and does not have to be limited to a particular plant variety." If Congress would have intended to expand statutory protection beyond a particular plant (PPA and asexual reproduction) or a particular plant variety (PVPA and sexual reproduction), it would have so stated in 1930, 1952, and 1970 when it enacted its plant-specific legislation.

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[2] Propagation of a plant variety is multiplying the variety to create new seeds of the variety. An act not involving propagation of a protected variety does not result in creating new seeds of the variety that can be sold or used in competition against the original breeder. *See*, 7 U.S.C. § 2541(d). Petitioners only sold unaltered bags of Pioneer seed to a small number of farmers who planted the corn hybrid seed and sold the harvested field corn at the elevator. The Solicitor General notes at page 3 of his brief that petitioners "are not authorized sales representatives of respondent." The contractual relationship between petitioners and respondent is a state law issue that is irrelevant to the question in this case. Suffice it to say, there has been no finding in this case that respondent was not fully aware of petitioners' intent to sell Pioneer bags of seed or that petitioners have done anything deceitful.

The position pressed by the Solicitor General is based on a scientific misconception, and a consequent gross simplification, of what occurs when plant varieties are sexually reproduced. The Solicitor General at page 7, note 2, of his brief gives this definition of true-to-type sexual reproduction (by seed): "In true-to-type reproduction, the plant inherits genetic characteristics identical to those of the parent plant." In fact this can only be achieved by asexual reproduction, which is not accomplished by growing seed. Asexually reproducing a plant produces offspring with a genetic combination identical to that of the single parent. Thus, a plant produced by asexual reproduction is a genetic clone of the original parent. Sexual reproduction produces offspring with a genetic combination different than that of either of the two parents, resulting in a plant variety consisting of a range of genetic combinations. *Imazio Nursery, Inc. v. Dania Greenhouses*, 69 F.3d 1560, 1567-1568 (Fed. Cir. 1995), *cert. denied*, 518 U.S. 1018 (1996). The PVPA creates a special agency to apply a specific criteria to determine which sexually reproduced plant varieties should be entitled to federal statutory protection.

The Solicitor General at page 10, note 5, of his brief states: "The breadth of coverage afforded by utility patents may be essential in some circumstances to protect plant inventions produced by genetic engineering." The Solicitor General also states at page 11 that, "Limiting the scope of Section 101 to exclude sexually reproduced plants . . . would reduce incentives for research and development in the agricultural and horticultural arts." Yet Congress has specifically and repeatedly addressed these very issues, in 1930 (PPA), 1952 (comprehensive

revision of Title 35) and 1970 (PVPA, the culmination of the 1968 patent law revision hearings). And on each of these occasions, Congress determined that Title 35 is an inappropriate means to grant federal protection to a breeder who propagates a new plant variety by sexual reproduction (by seed). To the contrary, Congress specifically determined that the germ plasm (a plant variety's DNA) should not be locked out of the research market by the grant of § 101 patent protection to the original breeder. *See* 7 U.S.C. § 2544 (PVPA research exemption). If the executive branch of the government now believes that such a right of exclusion should be granted through a § 101 patent, then it should direct this argument to Congress for the legislative branch's ultimate determination. These issues present facts of an essentially legislative and not judicial character. The assertion will be tested with a backing of the resources of the federal government only if presented to Congress.

Respectfully submitted,

BRUCE E. JOHNSON
(Counsel of Record)

S.P. DEVOLDER

LEWIS, WEBSTER, JOHNSON,
VAN WINKLE & DEVOLDER, L.L.P.
418 Sixth Avenue
Suite 620 Liberty Building
Des Moines, Iowa 50309
Telephone (515) 243-1000
Facsimile (515) 288-7000